



WEEKLY TEAM SUMMARY REPORT

June 11, 2009

Team: Public and Affordable Housing Neighborhood Stabilization Program (NSP)– 2 Update: First major working session held with application preparers. Discussed design of the programmatic framework to include measurable impacts. Partners not identified yet. Need to pull in other types of stimulus funding such as transportation, job development, economic development and public works, etc. Second session next week to review previous Smoketown plans. Changes introduced under NSP 2 impact NSP 1; need clarification. Four original objectives for NSP: direct housing assistance, an area benefit in a low/moderate income area, job creation and limited clientele. Job creation is important to long-term neighborhood sustainability but clarification is needed as to whether that remains eligible for round 2 or round 1 funding. NSP emphasis is on buying up foreclosed properties. HUD is specific about properties being foreclosed or residential. To impact a neighborhood block by block will involve properties not foreclosed and not residential.

Because there is a high percentage of vacant properties in Smoketown, a marketing effort will be needed to attract new families. The regulations require families to be at or below 120% of area median income. The definition of “housing” needs clarification and whether nonresidential properties can be utilized. Application due at HUD July 17 but signed MOUs are not required until December; however, the role and capacity of the partnerships must be determined and outlined for the application. The grant process is an initial application, an announcement by HUD of an award and a technical compliance period to make all final submissions.

Public Housing Capital - Competitive Grants: A replacement Notice of Funding Availability (NOFA) has been issued. Competitive capital grant areas remain the same four categories: (1) accessibility, (2) public housing transformation, (3) gap financing and (4) green initiatives in Option 1 or Option 2. Option 1 is for new and substantial rehab and Option 2 is moderate rehab. Structure of the NOFA has not changed; however, due dates for categories 1, 2 and 3 have changed. HUD begins accepting applications June 22 but won’t rate them until July 6. Categories 1, 2 and 3 still have rounds 1 and 2. Louisville Metro Housing Authority (LMHA) originally fit into category 2. LMHA is a high performing authority and will get points for that. Under the revised NOFA, LMHA meets the threshold in all four categories. The due date for category 4 did not change: submit as early as June 22, final due date July 21. Category 4 is a points’ based category. Regarding the concentration of poverty criteria, HUD was limiting areas of allowable concentration of poverty to 20%. Now changed from 20% to 40%; however, most of LMHA’s distressed public housing is still in areas over 40% which knocks out most of LMHA’s neighborhoods. The revised NOFA still contains a category 2 requirement that an architect declare the property as “severely distressed.” It must be a bad property bringing down a good neighborhood or a bad neighborhood that the city has identified as a revitalization site. Applying for category 2 is not recommended.

HUD has modified leverage ratios, tie breaking criteria, and factors for energy and water savings in the new NOFA. In first NOFA, a PHA’s inventory was used to determine the application dollar limit for categories 1 and 4. That would have been 4,000+ units times \$2,000 per unit or about \$8 million. The new NOFA allows either the greater of that amount or \$10 million so LMHA can apply for \$2 million more. HUD will not fund more than one grant for one project. LMHA will still focus on a “green” initiative, perhaps a total rehab of Avenue Plaza or a project at Iroquois Homes or something at The Friary.

Public Housing Capital – Fixed Funds: HUD Washington noted LMHA is way ahead of other MTW agencies in spending stimulus funds. LMHA was first to draw down funds and finish a project.